

MANAGEMENT MEMO

SUBJECT:

ORACLE ENTERPRISE LICENSE AGREEMENT

REFERENCES:

NUMBER:

DATE ISSUED:

EXPIRES:

ISSUING AGENCY:

DEPARTMENT OF GENERAL
SERVICES

On May 31, 2001 the Department of General Services, Procurement Division, (DGS) entered into an Agreement, Agreement Number 3036603, with Oracle Corporation for database licenses, products and services. The term of the Agreement is from May 31, 2001 through May 31, 2007. Through this Agreement, it is the intent of the DGS to control costs associated with the state's current and anticipated demand for Oracle database, products and services. It is not the intent to standardize on Oracle database and products, as state users are free to select the technology solution that best meets their database needs. State entities are still required to conduct the normal business requirements analysis necessary to identify the database products that are most suitable for their applications. **Effective immediately, state users of Oracle database products must acquire all database licenses and support, including support renewals, through the Enterprise License Agreement (ELA).** This Agreement does *not* waive the Department of Information Technology (DOIT) approval requirements in accordance with the policies and procedures as defined in Volumes I and II of the State Information Management Manual (SIMM). Furthermore, state entities are expected to follow appropriate procurement processes and use "best value" methodology when determining the most cost effective solution for procuring database and software products.

The Agreement is comprised of two distinct components: 1) a Full Use Statewide Enterprise License for Oracle Database, and 2) an optional Volume Purchase Agreement (VPA) for Oracle products and services. The principal elements of the Agreement are further described below.

ENTERPRISE LICENSE AGREEMENT (ELA) FOR ORACLE DATABASE

The ELA covers Oracle database for both development and deployment purposes. It covers state entities defined as employees in all California state departments and agencies, including but not limited to constitutional offices (i.e. Governor's Office, Attorney General, State Treasurer's Office, State Controller's Office), CalPERS, STRS, but excludes the University of California (UC) and the California State University (CSU) systems and Community Colleges. State contractors are covered under the ELA when granted access to Oracle programs by eligible state entities for state-sponsored work. Oracle products other than database and maintenance of the database license are not covered by the ELA.

Effective June 1, 2001, state entities must acquire all new or additional Oracle database licenses and support through the ELA. State entities shall not submit, and Oracle Corp. will not accept or process orders from state entities outside of this ELA after May 31, 2001. The ELA does not supersede or replace existing state-owned Oracle database licenses. However, users must discontinue annual support fees for maintenance on existing database licenses and migrate to the ELA for support. For asset management and administrative purposes, state entities will be required to report all Oracle usage in the near future. Agencies will be advised further in future correspondence.

Effective immediately, payments for maintenance of perpetual licenses shall no longer be remitted to Oracle. For existing Oracle database licenses that were financed, state agencies shall continue to remit payments in accordance with their payment plan. Further instruction with regard to payment plans and remittance advice will be provided at a later date.

STATE ADMINISTRATIVE MANUAL

ORACLE VOLUME PURCHASE AGREEMENT (VPA)

The DGS has effectively leveraged the state's aggregate purchasing power to negotiate significant monetary savings through the Oracle VPA. The optional VPA allows all state and publicly funded entities to purchase Oracle products at a 50% discount over retail prices regardless of purchase quantities. The UC and CSU systems and Community Colleges are excluded from the VPA. Resellers may purchase products at the VPA rates through the Enterprise License Support Desk on behalf of state and authorized public entities. Complete Oracle VPA ordering instructions and an Oracle Price Data Sheet listing all available products and services, along with base prices and respective discounted prices are available at <http://www.pd.dgs.ca.gov/>.

ENTERPRISE LICENSE SUPPORT DESK

An Enterprise License Support Desk (ELA Support Desk) is available between the hours of 7:00 a.m. and 5:00 p.m. at 1-866-337-5872 (866-DESK-VPA). Oracle database licenses and VPA products shall be ordered through this support desk designated specifically for state and public entity users of this Agreement. The ELA Support Desk will administer discounts and assist with order requirements, configuration, placements, tracking and fulfillment. The ELA Support Desk is *not* responsible for providing technical support; however, it will assist users with obtaining technical support through Oracle if necessary. A web page and e-mail address will be established in the near future for this support function, and agencies will be notified once these are available.

ORACLE TECHNICAL SUPPORT

Oracle technical support can be obtained by calling 1-800-223-1711. Technical support, including product upgrades, updates, and telephone support is available on a 24 x 7 basis throughout the term of the Agreement. The Agreement provides for Standard Technical Support, however, Increased Technical Support can be acquired for an additional cost. An Oracle Customer Support Identification number (CSI number) will be provided upon delivery of software. Existing CSI numbers will continue to be maintained by Oracle, thus agencies that already have existing CSI numbers may continue using them. To facilitate technical support, users should keep their assigned CSI number where it can be easily referenced.

GENERAL INFORMATION

State agencies that are currently involved in competitive procurements for Oracle products shall develop or modify solicitation documents and contract language as necessary to account for the Oracle ELA. Model language is as follows:

"The State of California has entered into an Enterprise License Agreement (ELA) and Volume Purchase Agreement (VPA) with Oracle Corporation to provide State employees with the right to use Oracle Database. This license covers full use of Oracle database by State employees and State contractors for both development and deployment purposes.

If an Oracle database is recommended as part of a proposed solution, the agencies must procure Oracle database and maintenance through the Oracle Enterprise License Agreement that the State has entered into with Oracle Corporation.

In addition, Volume Purchase Agreement special pricing is available to state and public entities empowered to expend public funds (excluding the CSU system, UC system and Community Colleges). These entities have the option to purchase additional Oracle products (no limit on the order size) at the Special Offer Discount of fifty percent (50%), through September 1, 2006. Oracle products must be purchased through the VPA if it is determined to be the most cost-effective method for obtaining the requisite products. Resellers may purchase products through the VPA on behalf of state and authorized public entities.

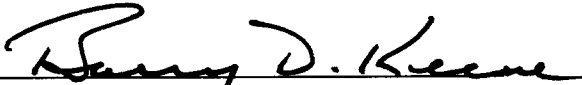
STATE ADMINISTRATIVE MANUAL

For further information, please refer to Oracle Enterprise License Agreement and other related information at <http://www.pd.dgs.ca.gov/>.

The Department of Finance (DOF) will provide additional guidance on the cost allocation methodology for the ELA once it has been determined.

The Department of Information Technology (DOIT) and the DGS are currently establishing a workgroup to advise and work on implementation issues. The DOIT and the DGS invite stakeholder participation in this workgroup. Interested parties may call Tricia Rodriguez at 916-445-1337 for more information about joining the workgroup.

Additional information with regard to this Management Memo is forthcoming. Users are encouraged to submit questions regarding the Oracle ELA via e-mail to OracleELA@doit.ca.gov and questions regarding ELAs in general to ELA@doit.ca.gov. Questions and answers will be posted on the DGS web page referenced above at a later date.

A handwritten signature in black ink, appearing to read "Barry D. Keene". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Barry D. Keene, Director
Department of General Services